

THE FEDERAL SPOTLIGHT



'Permanent' Comparability In Employee Pay Doubted

By JOSEPH YOUNG
Star Staff Writer

The chairman of the House Civil Service Compensation subcommittee is discouraged about prospects for adopting a permanent comparability pay system that would assure automatic government salary adjustments annually to keep pace with industry.

Rep. Morris Udall, D-Ariz., who also is the author of the federal comparability pay law and the three automatic pay increases of 1967, 1968 and the one scheduled for July 1, said there still is "some hope" that a permanent adjustment system can be achieved starting next year.

But Udall said he no longer has the "high hopes" he previously had of securing such a permanent system of adjusting government pay.

Addressing the biennial convention of OPEBA (Organization of Professional Employees of the Department of Agriculture), Udall said he felt the system of automatic pay raises of the past three years has been a great success.

But apparently many of the postal and federal employee unions feel otherwise, he said, with the result that starting next year "we will go back to the annual pay-raise fights."

Udall noted that under the previous system of knock-down, drag-out pay raise battles each year, federal and postal workers frequently went for years without getting a salary increase and fell far behind industry in the matter of pay comparability.

But now that pay comparability will be achieved July 1, many of the unions want to go back to the old system, Udall said. He said it was perhaps because some of the unions feel that pay-raise fights bring greater "cohesion" among their memberships.

Unless Congress enacts legislation extending the auto-

matic-type comparability salary increase system, this year's average 9.1 percent July 1 raise will be the last under such a system.

Udall said his group would hold hearings later this year on the entire subject.

The politically powerful postal unions have been the most critical of the present system, declaring that it does not provide true comparability for letter carriers and postal clerks.

Udall noted that federal classified and postal workers wouldn't be receiving a pay raise July 1 had it not been for not provide true comparability catch-up pay-raise system enacted in 1967.

"With Congress in an economy mood and the Nixon administration desperately trying to cut \$4 or \$5 billion from the budget, there would have been no government pay raise this year had it not been for the automatic increase provision," Udall said. He warned that future government pay raises could be few and far between in the coming years unless some kind of a permanent automatic salary adjustment system is established.

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RETIREMENT—Sen Vance Hartke, D-Ind., chairman of the Senate Civil Service Retirement subcommittee, predicts that Congress will approve the omnibus civil service retirement bill by Aug. 1.

The House Civil Service Committee already has okayed the measure and House approval is expected early next month.

Hartke told the convention of the Retirement Federation of Civil Service Employees that his group will start hearings on the legislation in May and

he predicted final congressional approval by Aug. 1.

This would mean that the benefit provisions of the bill would go into effect in August. It would mean considerably higher annuities for employees who retire after that date since it would compute annuities on the basis of their average high-three-year salary instead of the present high-five and also credit all unused sick leave for additional service.

The bill also would greatly increase the government's contribution to the civil service retirement fund, thereby assuring its financial stability. In the process employees would pay 7 percent of their salaries instead of the present 6½ percent. These financing provisions would go into effect Jan. 1, 1970.

In this regard James Rademacher, president of the National Association of Letter Carriers, will urge the Senate to amend the bill to increase the government's contribution for federal employee health insurance premiums, thereby reducing the employees' cost and offsetting the half of 1 percent more they will pay for retirement benefits.

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ALARMING PROPORTIONS—Nathan Wolkomir, president of the National Federation of Federal Employees has written a letter to every member of Congress concerning what he charges is the "mounting militarization" in the Defense Department of jobs traditionally filled by civil service employees.

Wolkomir said Air Force was the worst offender in this regard and that such practices are reaching "alarming proportions." Wolkomir cited many examples of military men replacing civilians in what always have been civil service jobs, including jobs at Andrews Air Force Base where experienced fire-fighters have been replaced by untrained young military recruits. Wolkomir blames the situation on Congress' action last year restricting new civilian hiring in government.

Send letter on Daniel Bell
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The Federal Diary

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Hill Action Urged on Retirement Fund

By Willard Clopton Jr.
and Mike Causey

The Nixon Administration diplomatically asked Congress yesterday to pump more money into the sagging Civil Service Retirement fund, before adding any new benefits to the system which pays \$181 million a month to nearly 900,000 Government retirees and their survivors.

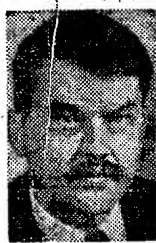
But Civil Service Commission Chairman Robert E. Hampton indicated he wouldn't turn into a pillar of salt overnight if some of the less expensive goodies in the Daniels retirement bill became law as part of an improved financing system for the fund, which faces bankruptcy in 18 years.

Hampton and CSC retirement chief Andrew E. Ruddock warned that the alternative to refinancing now could be future retirement envelopes containing I.O.U.'s instead of checks. If the fund is broke when checks are due, Ruddock said, retirees would have to await annual Congressional appropriations before getting their checks.

He said this happened before in one of the tiny retirement systems Uncle Sam ad-



Clopton



Causey

ministrators for widows of light-house keepers.

Hampton said Congress should first concentrate on the section of the Daniels bill which would raise employee and agency payroll contributions from 6.5 to 7 per cent to the fund. The Government would also be required to gradually pay its back debts to the fund, so it can meet future obligations.

The fund now has a surplus of \$20.6 billion. But it has an unfunded liability of \$57.7 billion—money already promised for future benefits which it won't have under the present contribution rate.

The new CSC boss said the Administration opposes those portions of the bill by Rep. Dominick V. Daniels (D-N.J.) which would change annuity computations from the present highest five years of salary, to

a high three-year formula. And he said he wasn't wild about the idea of full credit for unused sick leave toward retirement, but indicated he could live with a half credit compromise. Under it the Government would give a worker credit for one day of service for every two days of unused sick leave, a plan suggested by Rep. William L. Scott (R-Va.).

Aware that the Retirement subcommittee is going to approve most of the bill, Hampton said he didn't foresee "too much opposition" to such things as permitting widows of retirees to remarry without losing their pensions.

He said it would be helpful, but not essential, if CSC was given authority to increase future retirement deductions (subject to Congressional veto). Employee unions unanimously oppose this, and Rep. Lawrence Hogan (R-Md.) said he does too.

"The thing that gives me the most trouble," in the bill, Hampton said, is the provision to include overtime and premium pay as part of basic salary for retirement purposes. He said this would be "unfair" to workers whose jobs don't call for overtime.

Ruddock said he doubted that the provision would bene-

fit many employees anyhow. He pointed out that most do their overtime in their early and middle years. When they get in the high-five year formula age group, he said, they often don't work overtime thus they "would be paying into the fund for something they might not get."

Daniels wrapped up the hearings yesterday and said he hoped to hold a closed session of his Retirement Subcommittee next week when approval of his bill with at least some of the more liberal features is certain.

Closer watch? Sen. Sam J. Ervin (D-N.C.) thinks Congress should hold periodic hearings to review the functioning of Federal regulatory agencies, "to learn at first hand what the agency is doing and how well it is performing."

Ervin is burned up about the Federal Trade Commission's proposal to bar cigarette advertising. The Senator, who represents a major tobacco-growing state, calls this "an extraordinary example of bureaucratic arrogance." He's upset that an agency set up by Congress should suggest "censorship of radio and television advertising of a product which is perfectly legal to manufacture, sell and use."